



Commonwealth of Kentucky Public Protection Cabinet

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Kentucky Bankers Highlight Challenges, Opportunities *DFI Sponsors Town Hall Discussions to Collect Candid Feedback*

FRANKFORT, Ky. – (July 2, 2013) – The Kentucky Department of Financial Institutions (DFI) hosted three town hall meetings in June to give bankers from across Kentucky the opportunity to discuss challenges and opportunities impacting state-chartered community banks.

In total, 47 community bankers attended the meetings and discussed the broad challenges affecting their industry, including a slow economic recovery, capital concerns, regulatory compliance issues and a rapidly changing information technology environment.

“We wanted to discuss topics that are important to community bankers today, and let bankers know we realize how important community banks are to their communities. They play a vital role in our local economy, and they are equally important to the nation’s financial system,” said DFI Commissioner Charles Vice. “These meetings provided DFI an opportunity to listen to concerns and for bankers to share their thoughts and ideas.”

Some of the themes that recurred at each meeting included:

- The need to retain flexibility for community banks to design products to serve their local customers.
- Concerns with overregulation in the post-crisis era.

- Uncertainty regarding regulatory rules and changing examination procedures caused by new federal statutes.
- Both opportunities and challenges with technology – mobile and online banking may attract a younger and widespread customer bases, but those services are costly and come with risks that must be managed.

This feedback also will inform future academic research on community banking at the Community Banking in the 21st Century Conference to be held this fall. The conference is a joint effort by the Conference of State Bank Supervisors (CSBS) and the Federal Reserve System and will be held Oct. 2-3, 2013, at the Federal Reserve Bank of St. Louis. Research papers on community banking will be presented, and future research needs will be discussed among academics, policymakers, bank supervisors and community bankers. More information about the conference is available online at www.stlouisfed.org/banking/community-banking-conference/.

Bankers who attended DFI's Town Hall Discussion meetings were entered into a "golden ticket" drawing for the opportunity to attend the national conference. Jeff McDaniels, president and CEO of Farmers Bank and Trust in Princeton, was selected. While the conference is by invitation only, segments may be available to view via webcast.

Vice added, "As chairman of CSBS, I feel a greater responsibility to take the messages and themes that have come out of these town hall meetings and incorporate them into the strategic plan and to help be a voice for the community banker in Washington, D.C."

DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

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